



SINGLE-TENANT | Q4 2025

Office

SINGLE-TENANT OFFICE

Market Fundamentals



Q4 2025 Investment Sales Volume	\$3.85B
Change from Last Quarter (Q3 '25)	+54.1%
Change from Last Year (Q4 '24)	+48.1%



Q4 2025 Overall Average Cap Rate	7.35%
Change from Last Quarter (Q3 '25)	+4 bps
Change from Last Year (Q4 '24)	+16 bps

Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m

Overview | Single-Tenant Office

The single-tenant office sector posted \$3.9 billion in fourth quarter sales volume, up 54.1% from the third quarter and 48.1% year-over-year. Cap rates edged higher, rising 4 basis points to 7.35%, up 16 basis points year over year.

The West region dominated transaction activity in the fourth quarter, recording \$1.7 billion in volume and accounting for 43.4% of the total. The Southeast followed with \$647.6 million, representing 16.8% of overall volume. The Northeast ranked third with \$628.4 million, or 16.3%, while the Midwest recorded \$407.0 million, representing 10.6%. The Southwest contributed \$330.5 million, or 8.6% of total volume, and the Mid-Atlantic region trailed with \$166.9 million, accounting for 4.3%.

By region, cap rates ranged from a low of 6.50% in the West to a high of 8.43% in the Mid-Atlantic. Cap rates were mixed across all regions. Average cap rates are up 127 basis points from the recent low of 6.08% recorded in the first quarter of 2022.

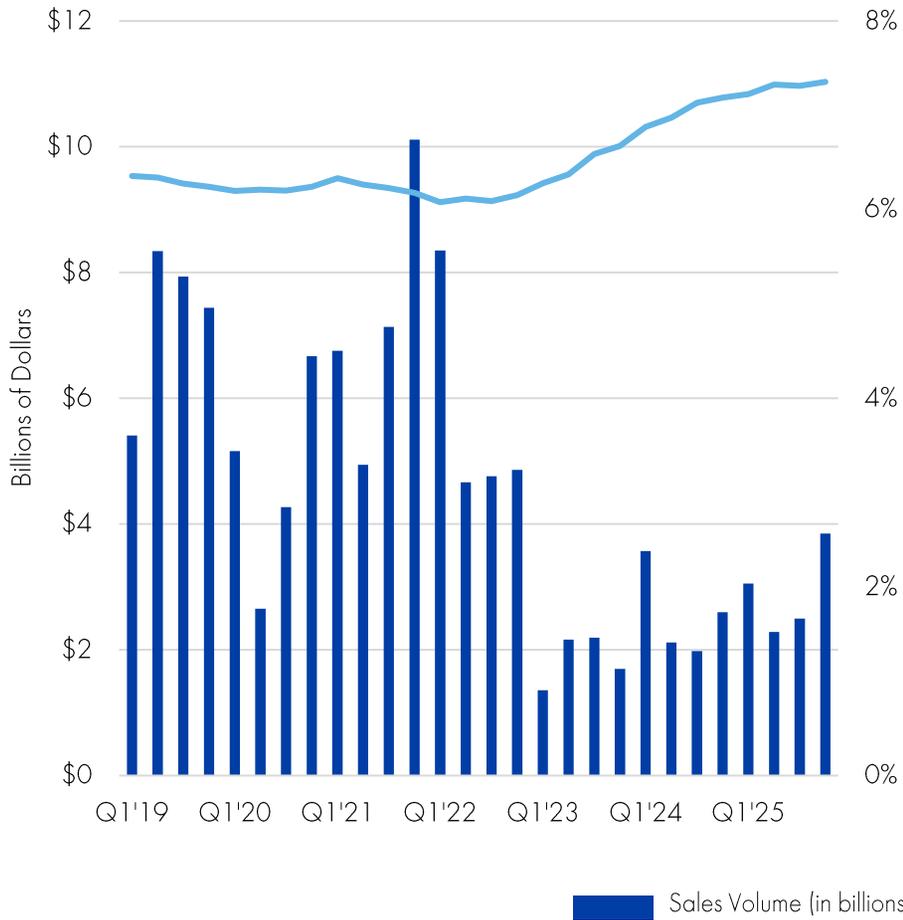
Private buyers accounted for 52% of single-tenant office acquisitions through the fourth quarter of 2025, followed by institutional investors at 25%. The private share increased sharply by 23% from 2024, while institutional investment activity increased by 6% over the same period. REIT/Listed acquisitions fell from 26% of investment activity in 2024 to just 4% as of the fourth quarter of 2025.



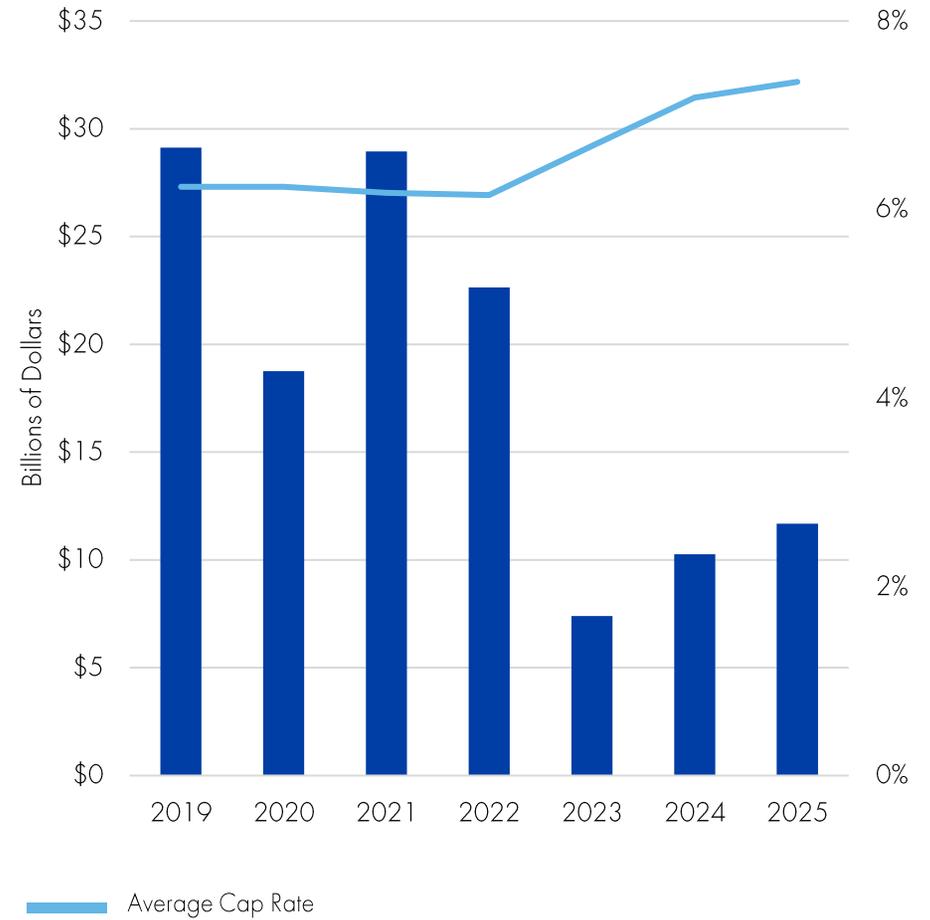
SINGLE-TENANT OFFICE

Investment Sales Volume & Average Cap Rates

Q Quarterly



A Annual



Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m



SINGLE-TENANT OFFICE

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	\$135.92	\$241.99	\$120.80	\$172.46	\$166.87
Midwest	\$174.04	\$453.05	\$148.81	\$571.28	\$406.97
Northeast	\$625.01	\$754.74	\$152.20	\$287.33	\$628.35
Southeast	\$438.97	\$476.11	\$585.87	\$547.18	\$647.59
Southwest	\$834.27	\$294.21	\$367.34	\$240.24	\$330.55
West	\$390.17	\$834.22	\$909.14	\$679.56	\$1,668.98
Total	\$2,598.38	\$3,054.32	\$2,284.15	\$2,498.05	\$3,849.30

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	\$2,061.84	\$1,997.07	\$450.31	\$467.71	\$702.13
Midwest	\$2,537.94	\$2,588.81	\$1,188.38	\$1,421.45	\$1,580.09
Northeast	\$5,595.33	\$5,793.65	\$726.68	\$1,193.19	\$1,822.63
Southeast	\$4,001.86	\$3,197.44	\$970.34	\$2,217.08	\$2,256.76
Southwest	\$3,249.56	\$3,001.85	\$2,317.78	\$2,093.99	\$1,232.33
West	\$11,497.72	\$6,058.21	\$1,753.51	\$2,867.88	\$4,091.89
Total	\$28,944.25	\$22,637.02	\$7,407.01	\$10,261.30	\$11,685.83

Average Cap Rates



Quarterly

Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	6.80%	7.50%	8.13%	8.20%	8.43%
Midwest	7.68%	7.79%	7.94%	8.17%	8.42%
Northeast	6.92%	7.04%	7.71%	7.77%	7.62%
Southeast	7.24%	7.16%	7.23%	7.05%	7.01%
Southwest	7.23%	7.10%	7.02%	7.00%	7.13%
West	6.81%	6.88%	6.89%	6.67%	6.50%
Total	7.19%	7.23%	7.33%	7.31%	7.35%

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	6.54%	6.46%	7.52%	6.80%	8.43%
Midwest	6.84%	6.77%	6.79%	7.68%	8.42%
Northeast	5.98%	6.13%	7.27%	6.92%	7.62%
Southeast	6.02%	6.16%	6.69%	7.24%	7.01%
Southwest	6.18%	6.07%	6.45%	7.23%	7.13%
West	5.86%	5.58%	6.17%	6.81%	6.50%
Total	6.18%	6.15%	6.67%	7.19%	7.35%

Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; totals may not equal the sum of individual property types due to rounding

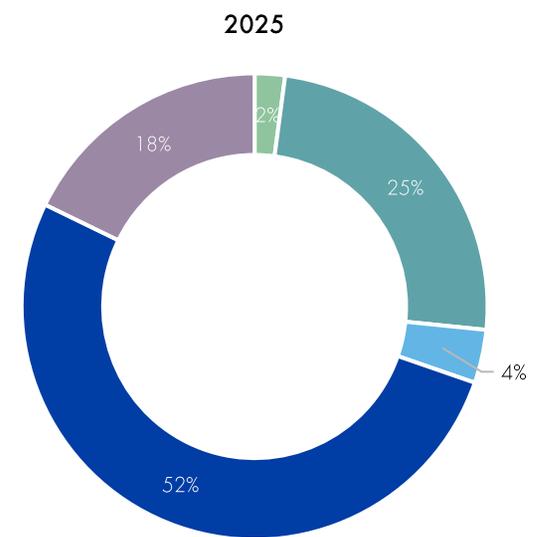
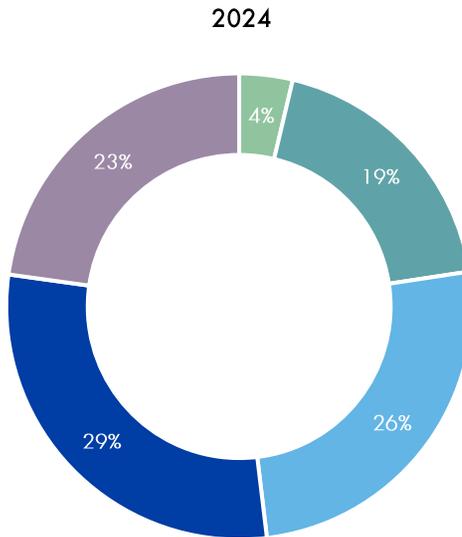
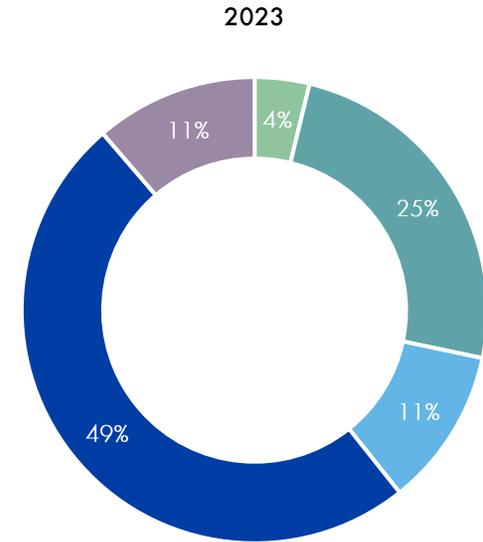
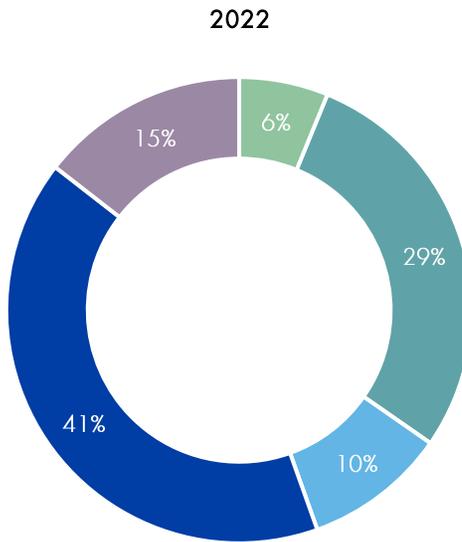


SINGLE-TENANT OFFICE

Buyer Distribution

Annual

- International Buyer
- Domestic Institutional
- Domestic Public REIT
- Domestic Private Buyer
- Domestic User/Other



Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; graphs may not total 100 percent due to rounding





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